



February 21, 2024

The Honorable Brian J. Feldman
Chair, Education, Energy, and the
Environment Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

The Honorable Cheryl C. Kagan
Vice Chair, Education, Energy, and the
Environment Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Feldman and Vice Chair Kagan,

I would like to express my full support for *Senate Bill 474 - Certificate of Public Convenience and Necessity and Related Approvals - Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024)*.

The data center industry has been looking to Frederick, Maryland as their next area of expansion. This type of investment is poised to generate tens of millions of dollars of tax revenue to government coffers annually. In my Congressional District, Frederick County will benefit greatly from the increase of revenue - it is currently facing a 12% increase in the student population, which has led to an over \$830 million gap for school construction. Data centers will also create thousands of good-paying jobs in the area, specifically for constituents who work in the building trades.

I have fought hard in Congress to supply federal funding to build out the much-needed digital highway in the State of Maryland and across the country. Governor Wes Moore has also seen this need and has called for "Maryland to be the headquarters of the 21st century." The General Assembly has worked in tandem with the Governor and has passed several data center-specific pieces of legislation over the past couple of years. From top to bottom, Maryland has signaled to the data center industry that we are looking for their investment and are open for business.

The Critical Infrastructure Streamlining Act of 2024 is another piece of legislation that will continue to signal to the data center industry that Maryland is the best place to invest. HB579 will clarify the historic practice followed for years by the Maryland Public Service Commission regarding exemptions from the Certificate of Public Convenience and Necessity (CPCN) process for backup generators installed by electricity customers.

Specifically, this bill provides an exemption from the CPCN process for any combination of two or more electricity generating units used exclusively for on-site emergency backup purposes in the event of a power outage (including required testing and maintenance). With this clarification, the CPCN

process will remain appropriate for the siting of merchant power plants and high-voltage electric transmission lines, while excluding entities it was never intended to be applied to, such as hospitals, pharmaceutical companies, college campuses, federal facilities, military installations, casinos, or data centers.

It is important to note that the Critical Infrastructure Streamlining Act of 2024 does just that - it streamlines the process for critical infrastructure. This legislation will not weaken the power of the Maryland Department of Environment to regulate and permit backup generators based on emission levels appropriate for the fuel source used in the back-up generators. Additionally, the Governor's bill does not change or weaken local zoning or permitting authority over any electricity customer who requires backup generators.

I strongly urge this committee to give *Senate Bill 474 - Certificate of Public Convenience and Necessity and Related Approvals - Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024)* the highest consideration.

Sincerely,



David Trone
Member of Congress